

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

PAUL S. FOTI, CHRIS ZEBRO, and ZOHAR  
ASHJIAN, On behalf of themselves and all others  
similarly situated,

Plaintiffs,

- a g a i n s t -

NCO FINANCIAL SYSTEMS, INC.,

Defendant.

Case No.: 04 CV 00707

**STIPULATION WITHDRAWING  
ATTORNEYS' FEES DISPUTE  
AND AGREEMENT  
REGARDING ATTORNEYS'  
FEES, COSTS, AND EXPENSES**

**WHEREAS**, current counsel for the Plaintiffs, Robert L. Arleo ("Arleo"), and former counsel for the Plaintiffs, Michael M. Cohen and Yitzchak E. Cohen (collectively, the "Cohens"), had a dispute regarding the division of attorneys' fees, costs, and expenses;

**WHEREAS**, on July 16, 2007, Hon. Kenneth M. Karas, U.S.D.J., referred this fee dispute to Magistrate Judge Debra Freeman;

**WHEREAS**, on January 15, 2008, Magistrate Judge Freeman submitted her Report and Recommendation ("Report and Recommendation") to Hon. Richard J. Sullivan, U.S.D.J.;

**WHEREAS**, this Court has not adopted any portion of the Report and Recommendation;

**WHEREAS**, Arleo and the Cohens have numerous issues with and strongly disagree with certain portions, recommendations, and findings contained in the Report and Recommendation, the undersigned believe that it is in their best interests to settle and resolve all disputes between Arleo and the Cohens in this litigation and therefore enter into the within Stipulation and Agreement for that specific purpose.

**NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED, AND AGREED**, by and between the undersigned, as follows:

1. Arleo and the Cohens agree to fully withdraw their fee dispute from consideration before both Magistrate Judge Freeman and Hon. Richard J. Sullivan, U.S.D.J.

2. Pursuant to the Second Amended Class Action Settlement Agreement entered into on October 29, 2007, between Defendant NCO Financial Systems, Inc. ("NCO") and the Plaintiffs and the Final Order and Judgment which has been submitted to the Court by the parties in this action for approval and execution (collectively, the "Settlement Documents"), NCO has agreed to pay attorneys' fees, costs, and expenses in the aggregate amount of \$137,000.00.

3. The Parties agree that pursuant to the Settlement Documents, the aggregate amount of the \$137,000.00 which Arleo will be paid for the services he has and will continue to render in connection with this matter is \$24,000.00.

4. The Parties agree that pursuant to the Settlement Documents, the aggregate amount of the \$137,000.00 which the Cohens will be paid for the services they have rendered in connection with this matter and the amount to be paid to them is \$113,000.00.

5. The fact that Arleo and the Cohens have agreed to accept the amount of money set forth in the within Stipulation and Agreement shall in no way be deemed to be an admission that such amount is a true or accurate reflection of the full value of each party's respective services rendered to date and/or in the future in connection with this lawsuit or to be construed as an agreement with any portion, recommendation, and/or finding contained in the Report and Recommendation.

6. In light of the fact that NCO has already paid Arleo a total of \$40,000.00 of the agreed-upon \$137,000.00, the balance of \$97,000.00 owed by NCO pursuant to the Settlement Documents shall be paid by NCO to the Cohens, and Arleo shall pay the amount of \$16,000.00 to the Cohens.

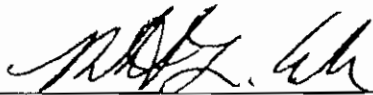
7. All monies to be paid by and to all affected parties pursuant to the within

Agreement shall be paid within the time period set forth in the Settlement Documents.

8. Following the payment by NCO and Arleo of the sums agreed upon in this Agreement, no party hereto shall have any further liability whatsoever to another for any reason whatsoever.

9. The parties agree that this stipulation may be signed by facsimile transmission and that facsimile signatures will be deemed to be original signatures and that this stipulation may be signed in counterparts and that all counterparts taken together shall constitute one Stipulation which is binding and effective upon all parties hereto.

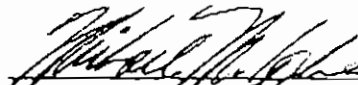
Dated: January 31, 2008



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So Ordered:



The Honorable Richard J. Sullivan  
United States District Court Judge

2/19/08